

141.388 Nonrefundable tax credit for nonfirst-time buyers of new homes.

- (1) As used in this section:
 - (a) "Approved time" means three hundred sixty-five (365) days beginning thirty (30) days after June 26, 2009;
 - (b) "New home tax credit cap" means a maximum of twenty-five million dollars (\$25,000,000) allocated to qualified buyers on a first-come, first-served basis;
 - (c) "Purchase" means a point within the approved time when escrow closes between the qualified buyer and the seller of the qualified principal residence;
 - (d) "Qualified buyer" means a resident who:
 1. Purchases a qualified principal residence; and
 2. Is not eligible to receive the first-time homebuyer credit allowable under Section 36 of the Internal Revenue Code; and
 - (e) "Qualified principal residence" means a single-family dwelling which is:
 1. Either detached or attached;
 2. Certified by the seller as having never been occupied; and
 3. Purchased to be the principal residence of the qualified buyer for a minimum of two (2) years.
- (2)
 - (a) There is hereby created a one (1) time, nonrefundable new home tax credit against the tax imposed by KRS 141.020, with the ordering of credits as provided in KRS 141.0205.
 - (b) The credit shall apply to the tax liability of a qualified buyer who purchases a qualified principal residence within the approved time.
 - (c) Within seven (7) calendar days after the purchase of a qualified principal residence, the qualified buyer shall submit via fax a completed application for the new home tax credit on forms provided by the department.
 - (d)
 1. The new home tax credit allowable to the qualified buyer shall be equal to five thousand dollars (\$5,000), unless the new home tax credit cap has been reached.
 2. If the new home tax credit cap has been reached, the qualified buyer shall not receive a credit.
 - (e) The new home tax credit is not refundable and any unused amount in the taxable year of the purchase cannot be carried forward or back to another taxable year.
 - (f) Any credit that reduced the tax imposed by KRS 141.020 shall be repaid in total if the qualified buyer does not occupy the new home for at least two (2) years immediately following the purchase.
- (3) To administer the new home tax credit and new home tax credit cap, the department shall:
 - (a) Create the application required to be filed by a qualified buyer;
 - (b) Promulgate administrative regulations to administer the new home tax credit, including but not limited to:

1. The process of recapture of the credit if the qualified buyer does not maintain the new home as his or her principal residence for two (2) years; and
 2. How to allocate the new home tax credit between unmarried co-purchasers or between married individuals who file separate returns;
- (c) Create a Web site containing the amount of the total credit allocated to date, the date the last processed application was received, and the remaining credit available to qualified buyers;
 - (d) Establish a dedicated telephone line to receive faxed applications;
 - (e) Allow the date and time stamp from the faxed application as the order within which the application was received; and
 - (f) Notify the qualified buyer of the allowable credit available to the qualified buyer by a credit allocation letter, which shall be submitted by the qualified buyer with his or her return.
- (4) The application for the new home tax credit shall be void if:
- (a) The home has been previously occupied;
 - (b) The application is not received within seven (7) calendar days from the purchase; or
 - (c) The application is received after the new home tax credit cap has been reached.

Effective: June 26, 2009

History: Created 2009 (1st Extra. Sess.) Ky. Acts ch. 1, sec. 104, effective June 26, 2009.